



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

M/037/084

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-359-3940 (Fax)

801-538-5319 (TDD)

FACSIMILE COVER SHEET

DATE: OCT. 31, 2000

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 4

TO:

JOHN SAWALTER
COTTER CORP.

FAX NUMBER:

970-864-7287

FROM:

TONY GALLEGO

PHONE 801-538-5267

Minerals Reclamation and Development Program

PHONE:

(801) 538-5291

FAX:

(801) 359-3940

SUBJECT:

M/037/084 PAROSE MINE

REMARKS:

- COPY OF 8/24/95 DIVISION ESTIMATE
- COPY OF SURETY UPDATE ESCALATION FACTORS
- DRAFT ESTIMATE UPDATE

Should you encounter any problems with this copy, or do not receive all the pages, please call

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



TRANSACTION REPORT

P. 01

OCT-31-2000 TUE 10:55 AM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
OCT-31	10:53 AM	19708647287	2' 04"	4	SEND	OK	195	
TOTAL :						2M 4S PAGES:	4	



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801

Salt Lake City, Utah 84114-5801

801-359-3940 (Fax)

801-538-5319 (TDD)

FACSIMILE COVER SHEET

DATE: OCT. 31, 2000

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 4

TO:

JOHN STEWART
COTTER CORP.

FAX NUMBER:

970-864-7287

FROM:

TONY GALLEGOS PHONE 801-538-5267

Minerals Reclamation and Development Program

PHONE:

(801) 538-5291

FAX:

(801) 359-3940

\$2,380

MINE OPERATOR NAME

MINE NAME

FILE #

COUNTY NAME

Prepared by Utah Division of Oil, Gas & Mining Last Update DATE

DESCRIPTION:

PLEASE DO A "SAVE AS" NOW, AND SAVE THIS FILE TEMPLATE UNDER AN

-Previous reclamation surety estimate was \$00,000 in year 200? dollars

-Reclamation Estimate base amount calculated in 19??-\$

-This update adjusts the surety amount for escalation only.

- - - - - *insert as many comment lines as needed here* - - - - -

-Escalation factors through 1999 are actual Means Historical Cost Indices

-Total disturbed area = 10 ACRES

CALCULATIONS

$$F = P(1 + i)^{**n}$$

YR	ESCAL FACTOR	BOND AMOUNT
1977	0.0870	\$0
1978	0.0710	\$0
1979	0.0860	\$0
1980	0.0860	\$0
1981	0.0991	\$0
1982	0.0940	\$0
1983	0.0104	\$0
1984	0.0092	\$0
1985	0.0290	\$0
1986	0.0210	\$0
1987	0.0195	\$0
1988	0.0181	\$0
1989	0.0177	\$0
1990	0.0077	\$0
1991	0.0127	\$0
1992	0.0221	\$0
1993	0.0261	\$0
1994	0.0321	\$0
1995	0.0193	\$0
1996	0.0242	\$0
1997	0.0236	\$0
1998	0.0502	\$0
1999	0.0200	\$0
2000	0.0313	\$0
2001	0.0313	\$0
2002	0.0313	\$0
2003	0.0313	\$0
2004	0.0313	\$0
2005	0.0313	\$0

F = Future Sum

P = Present Sum

i = Escalation Factor

n = number of periods

Three Yr Average = 3.13%

Used to Project 5 Yrs

From the Year 2000

Updated Surety Amount Rounded (2005-\$)

\$0

** Average cost per acre = \$0 (\$/ACRE)

COTTER CORPORATION

PAPOOSE MINE

M370084

SAN JUAN COUNTY, UTAH

Prepared by Utah Division of Oil, Gas & Mining

DATE: March 9, 2000

DESCRIPTION:

- This project is located in lands administered by School and Institutional Trust Lands [SITLA].
- This calculation escalates the 1995 base amount of \$41,721 to year 2005 dollars.
- Original reclamation cost estimate calculated in 1995 was \$47,600 in 2000 dollars.
- Current reclamation surety of \$54,000 is held by SITLA.
- Disturbed area in the original estimate was 20 acres
- The current disturbed area for the mine is not anticipated to change in the near future
- The reclamation plan provides provisions that pit highwalls (20 ft vertical height) be back filled to a slope of 45 degrees or less, salvaged topsoil be replaced to a depth of 12 inches in "islands" (ASSUME topsoil will cover 50% of site at 12" depth), seedbeds be harrowed or disked to loosen soils before seeding, topsoil "islands" be fertilized, broadcast seeded and then harrowed or raked, all structures and debris be removed at the end of operations.
- **This update adjusts the surety amount for escalation only**
- Escalation factors through 1998 are actual Means Historical Cost Indices
- Last DOGM site inspection of 6/28/95 found no major deviations from the approved plan.
- This surety update is accurate provided site conditions are consistent with the approved plan.
- **Annual report for 1999 described actual site disturbance as 16.5 acres.**
- Total disturbed area = 20 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^n$	1995	0.0193	\$41,721
F = Future Sum	1996	0.0242	\$42,731
P = Present Sum	1997	0.0236	\$43,739
i = Escalation Factor	1998	0.0502	\$45,935
n = number of periods	1999	0.0327	\$47,437
	2000	0.0327	\$48,988
Three Yr Average = 3.27%	2001	0.0327	\$50,590
Used to Project 5 Yrs	2002	0.0327	\$52,244
From the Year 1999	2003	0.0327	\$53,953
	2004	0.0327	\$55,717
	2005	0.0327	\$57,539

Updated Surety Amount Rounded (2005-\$)

\$57,500

** Average cost per acre = \$2,875 (\$/ACRE)

DRAFT